

SMALL BUSINESS LOAN FUND CORPORATION
MINUTES OF THE BOARD OF DIRECTORS

March 26, 2015

PUBLIC SESSION

A monthly meeting of the Board of Directors (the “Board”) of the Small Business Loan Fund Corporation (the “Corporation”) was held in public session at the offices of the Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday, March 26, 2015, scheduled for 9:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty, Mr. Richard DeMerchant, Mr. John Pagliarini, Ms. Antonieta Falconi and Mr. Lee Mercer.

The following Directors were absent: None

Also present were: Mr. William Ash, Corporation Administrator, Ms. Stacy Farrell, Corporation Secretary, Mr. Daniel Price, Corporation Administrator, Ms. Denise Barge, Corporation Administrator and Mr. John Garrahy, Esq., Moses Afonso Ryan Ltd.

Mr. Fogarty presided over the meeting.

1. Call to Order.

Mr. Fogarty called the meeting to order at 9:33 a.m.

2. Approval of the Minutes of the Meeting held on February 26, 2015

The first item to come before the Board was the approval of the Minutes of the Board meeting held on February 26, 2015. A motion was duly made by Mr. DeMerchant and seconded by Mr. Pagliarini, to approve the Public and Executive Session Minutes of the meeting noted above was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

3. Maintain the Executive Minutes of the February 26, 2015 meeting as Confidential

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on February 26, 2015. Upon motion duly made by Mr. DeMerchant and seconded by Mr. Mercer, the motion to maintain the confidentiality of the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

4. Report of Cash Position as of February 28, 2015

Staff asked if there were any questions or comments regarding the Cash Report for the period ended February 28, 2015 (Exhibit A). There was no further discussion regarding this report.

5. Delinquency Loan Report as of March 20, 2015

Staff asked if there were any questions regarding the Loan Delinquency report dated March 20, 2015 (Exhibit B). There was no discussion regarding this report.

6. Discussion Regarding the Energy Revolving Loan Fund

Mr. Ash reminded the Board of the discussions from the last meeting regarding this topic and provided some additional material which outlined the Energy Revolving Loan Fund ("ERLF") (Exhibit C). He indicated that since the last meeting of the Board the Governor has proposed the creation of an Infrastructure Bank which would be administered through the current Clean Water Finance Agency. The Energy Revolving Fund would then be moved to this Bank once it was established. He noted this Board may see some additional transactions through the program; however he believed it would ultimately be administered elsewhere.

7. Vote to approve recommendation for legal services for the Corporation

Mr. Mercer and Mr. DeMerchant began to discuss the interview process for legal counsel. After a brief discussion Board members asked for the discussion to be tabled for this meeting and that the matter be taken up at a future meeting in Executive Session if permissible under the Open Meetings Law. Upon motion duly made by Mr. Mercer and

seconded by Mr. Pagliarini, the Board moved to table the vote to approve recommendation for legal counsel.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

8. Executive Session

Mr. Fogarty suggested that the Board move into Executive Session to discuss the remaining agenda items. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, the motion to move the meeting into Executive Session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(2), 42-46-5(a)(5), 42-46-5(a)(6) and 42-46-5(a)(7) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

Public Session concluded and Executive Session began at 10:06 a.m.

9. Executive Session Vote Ratification

Mr. Fogarty called for ratification of the votes adopted during Executive Session. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, the following votes were ratified:

- (a) To approve the request from Mouldcam for a \$280,000 loan subject to the conditions as outlined in Executive Session.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer and Ms. Antonietta Falconi.

The following Directors voted against the foregoing: Mr. Raymond Fogarty

The following Directors were absent for voting: None

- (b) To deny the request from Colonial Mills regarding modification of deferred interest term on current financing.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

(c) Approve recommended charge offs as presented in Executive Session

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

(d) Vote to Seal the Executive Session Minutes

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

Adjournment

There being no further business to come before the Board, Mr. Fogarty called for a vote to adjourn the meeting. Upon motion duly made by Mr. Pagliarini and seconded by Ms. Falconi, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

The meeting was adjourned at 11:04 a.m.

Respectfully submitted,

/s/ Stacy Farrell
Stacy Farrell, Secretary